

CITIZENS' GUIDE

to the Essex Town Budget

2015 –
2016



MESSAGE FROM THE TOWN HALL

Budget preparation for the fiscal year July 1, 2015 through June 30, 2016 is underway. Our town government departments, boards and commissions have submitted reasonable budget requests for the coming year. But we still have a few items that will have an impact on the upcoming budget. Our scheduled debt service for the 2007 general obligation bond will increase almost \$55,000 next year. Recent changes in the assumptions related to the calculation of the retirement fund payment have caused a significant increase in the required annual contribution. Furthermore, uncertainty with regard to the State budget will likely impact our budget on the revenue and/or expenditure side next year.

We will experience some relief on the education expenditures side of the budget. But reductions in the education budget are capped by the State imposed "minimum budget requirement".

The budget meeting calendar for the town government budget is provided on the reverse side of this guide. All meetings are open to the public. We strongly encourage our residents to attend the budget public hearing on April 23rd and the Town Meeting on May 11th.

We count on you to make your voice heard by voting.

- Norman M. Needleman, First Selectman
- Keith Crehan, Board of Finance Chairman
- James D. Francis, Treasurer
- Kelly Sterner, Director of Finance

ESSEX BY THE NUMBERS

Population (2012)	6,682
Registered voters	4,678
Median household income (2012)	\$90,242
Households	2,876
Miles of Town Roads	44
School Enrollment (K – 12)	859
# of town employees (excludes seasonal/temp)	27.3
# of BOE employees (EES & pro-rate R4)	104.5
2014 Revenues	\$22,901,795
2014 Expenditures	\$22,746,910
2014 Fund Balance	\$2,923,921
2014 Outstanding Debt (direct & indirect)	\$14,940,675
Debt Service as a % of Expenditures (2014)	7.3%
Unassigned Fund Balance as a % of 2015 Budget	12.68%
Per capita debt	\$2,236

FINANCIAL POSITION

The Town of Essex unassigned fund balance relative to total annual expenditures continues to be healthy. As of the most recent fiscal year end (6/30/2014) the budgetary unassigned fund balance in the Town's General Fund was \$2,923,921 or 12.69% of FY 2013-2014 budgeted expenditures. This compares to a balance of \$2,769,036 at 6/30/2013 or 12.54% of FY 2012-2013 budgeted expenditures.

Furthermore, the 2014 annual audit of the Town's finances showed an ending fund balance of \$4,295,861 for all governmental funds which includes special revenue funds and sinking funds. The Town maintains its "Aa2" rating from Moody's Investor Service based on their assessment of the town's historical trend of financial stability.

GRAND LIST

The October 1, 2014 Essex Net Total Grand List is \$1,036,927,180 (subject to adjustment by the Board of Assessment Appeals). It increased by approximately \$3,726,569 or 0.36% compared to the prior year. The increase was based on increases in all categories (RE, Personal Property & MV). The Grand List is made up of 91.0% real estate, 6.1% motor vehicles and 2.9% personal property. This increase in net grand list, when multiplied by the FY 2014-2015 mill rate of 20.99 mills, provides an additional \$72,194 of revenue. This can help to fund increases to the budget and soften the mill rate impact.

REGION 4 EDUCATION COST SHARE

The Essex share of the Region 4 budget is calculated based on our percentage of students enrolled. The calculation of the percentage is referred to as our Average Daily Membership (ADM). The recent history of the Essex ADM share is shown below.

2009/2010 – 41.89%	2012/2013 – 44.61%
2010/2011 – 42.54%	2013/2014 – 46.18%
2011/2012 – 43.28%	2014/2015 – 44.87%

The Town Government proposed budget is available on the Town website at www.essexct.gov. Also on the website, under the Finance Department, are past versions of this guide which contain additional budget process information.

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CAPITAL PROJECT BONDING

At the December 15, 2014 referendum, voters approved the authorization of a general obligation bond issuance for the 5 capital projects that together comprise the “Town of Essex 2014 Capital Program Initiative”. The combined authorization is for up to \$8,085,000. The projects break down as follows:

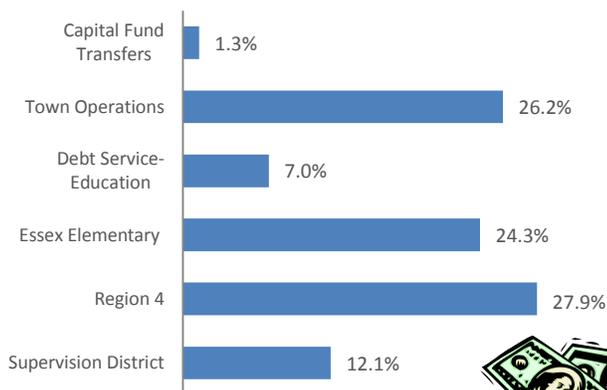
- Bridge Replacement \$2,845,000
- Essex Elementary Improvements \$2,815,000
- Town Hall Improvements \$1,300,000
- Town Garage Improvements \$525,000
- Fire Fighting Vehicle \$600,000

A complete copy of the Capital Planning Report is available on the Town website at www.essexct.gov/finance-department.

So when will the bonds be issued and the associated debt service impact our Town budget? With two of the projects eligible for some cost sharing through State/Federal grants, it is desirable to wait until the projects are substantially complete and the grant amounts are definite before the general obligation bond is issued. This will allow us to issue bonds for the net amount of the projects which is expected to be approximately \$6,000,000 and is currently estimated to take place in late 2016/early 2017. The Town will initially utilize available funds, grant proceeds and bond anticipation notes to finance the projects until we are prepared to issue the bond.

2014-2015 APPROVED BUDGET

WHERE YOUR TAX DOLLARS ARE SPENT



BUDGET CALENDAR IMPORTANT DATES 2015



- February 18 . **MEETING*** 5:00pm
Board of Selectmen budget meeting
- February 21 . **MEETING*** 10:00am @ Town Hall
Board of Selectmen budget meeting
- March 4 **MEETING*** 5:00pm @ Town Hall
Board of Selectmen budget meeting immediately following 5:00 pm Regular Meeting (**CANCELLED**)
- March 19 **MEETING*** 7:00pm @ Town Hall
Board of Finance budget meeting with the Essex Elementary Board of Education
- March 26 **MEETING*** 7:00pm @ Town Hall
Board of Finance budget meeting with the Board of Selectmen
- April 13 **MEETING*** 7:00pm @ JWMS – Library
Region 4 Board of Education public hearing
- April 23 **MEETING*** 7:30pm @ Town Hall Auditorium
Board of Finance public hearing
- April 23 **MEETING*** @ Town Hall Auditorium
Board of Finance meeting immediately following public hearing
- April 30 **MEETING*** 7:00pm @ Town Hall
Board of Finance meeting (if needed)
- May 5 **REFERENDUM** noon – 8:00pm @ Town Hall Auditorium-Region 4 Board of Education budget vote
- May 11 **TOWN MEETING** 7:30pm @ Town Hall
budget vote or adjourn to referendum
- TBD **SPECIAL MEETING** - Board of Finance sets mill rate

**Meeting agenda to include public comments.*

Dates, times & locations for Supervision District, Region 4 and Essex Elementary School budget workshops are included on the Region 4 website at www.reg4.k12.ct.us